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Supreme Court, U.S.
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In The
Supreme Court of the United States
October Term, 1993

QUALITEX COMPANY,

Petitioner,

v.

JACOBSON PRODUCTS CO., INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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QUESTIONS PRESENTED

I. Whether the Lanham Act prohibits the registration of color as a trademark.

II. Whether a court may cancel a trademark registration duly issued by the United States Patent and Trademark Office absent a finding that the Patent and Trademark Office abused its discretion, acted contrary to the law, or made any factual error in registering the mark.

STATEMENT PURSUANT TO RULE 29.1

The only parties to this action are those listed in the caption. Qualitex Company has no parent or subsidiary companies.

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner, QUALITEX COMPANY ("Qualitex"), respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") in this case.

OPINIONS BELOW

The opinion of the Ninth Circuit is reported at 13 F.3d 1297 (9th Cir. 1994) and is reprinted as Appendix A (*infra*, 1a - 14a). The opinion of the United States District Court for the Central District of California ("District Court") is reported at 21 U.S.P.Q. 2d 1457 (C.D. Cal. 1991) and is reprinted as Appendix B (*infra*, 15a - 30a).

JURISDICTION

The Ninth Circuit entered its decision on January 3, 1994. Neither party requested rehearing. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The statutes involved in this petition are Sections 2, 7(b), 37 and 45 of the Lanham Act, 15 U.S.C. §§ 1052, 1057(b), 1119, and 1127, which provide:

15 U.S.C. § 1052 (Lanham Act, Sec. 2) Trademarks Registrable on Principal Register.

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the

applicant, to cause confusion, or to cause mistake, or to deceive: Provided, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant

is primarily geographically deceptively misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e) (3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

* * *

15 U.S.C. § 1057 (Lanham Act, Sec. 7) Certificates of Registration.

. . . .

. . . .

(b) Certificate as Prima Facie Evidence.

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated in the certificate.

* * *

15 U.S.C. § 1119 (Lanham Act, Sec. 37) Powers of Court Over Registration.

In any action involving a registered mark the court may

determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.

* * *

15 U.S.C. § 1127 (Lanham Act, Sec. 45) Construction and Definitions.

In the construction of this chapter, unless the contrary is plainly apparent from the context—

. . . .

The term "trademark" includes any word, name, symbol or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

STATEMENT OF THE CASE

This case involves cancellation by the Ninth Circuit of a trademark registration issued by the U.S. Patent and Trademark Office for a trademark comprised of a color.

I. Background

For over 30 years, Qualitex has promoted and sold its SUN GLOW® press pad using a fabric for the cover in a unique green-gold color (App. A, *infra,* 2a; App. B, *infra,* 16a). The green-gold color is technically described as "brass no. 6587" (App. B, *infra,* 16a). It is a non-primary color and is merely a shade of green (App. B, *infra,* 21a). The green-gold color is ornamental and does not make the pad perform any better than if any other color was used (App. A, *infra,* 11a; App. B, *infra,* 22a). Qualitex's use of the green-gold color is aesthetic only; is not related in any way to the product's use, cost, quality or longevity; is used to associate the color with the SUN GLOW® press pads; and is more expensive than other colors (App. A, *infra,* 11a; App. B, *infra,* 27a).

Qualitex's green-gold trademark has acquired secondary meaning[1] as a result of its long, exclusive use by Qualitex (App. A, *infra,* 12a). Qualitex has sold more than 1,000,000 press pads bearing the green-gold trademark (App. B, *infra,* 17a) and has expended more than $1.6 Million in advertising and promoting its press pads, with nearly all of its advertising and promotion highlighting the green-gold color (App. A, *infra,* 12a; App. B, *infra,* 17a). The Ninth Circuit termed the evidence of secondary meaning "convincing" (App. A, *infra,* 12a).

Qualitex applied to the U.S. Patent and Trademark Office for registration of its green-gold trademark. In its application,

[1] To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself. *Two Pesos, Inc. v. Taco Cabana, Inc.,* 112 S. Ct. 2753, 2756 n. 4, *reh'g denied,* 113 S. Ct. 21 (1992); *Inwood Lab., Inc. v. Ives Lab., Inc.,* 456 U.S. 844, 851 n. 11 (1982). Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it "has become distinctive of the applicant's goods in commerce." 15 U.S.C. § 1052 (f). This acquired distinctiveness is generally called "secondary meaning." *Two Pesos,* 112 S. Ct. at 2757.

Qualitex set forth evidence of its lengthy, continuous, and exclusive use of the particular green-gold color in a trademark manner in order to demonstrate that the color had acquired the distinctiveness necessary to function as a trademark. After examination, on February 5, 1991, the Patent and Trademark Office issued Certificate of Registration No. 1,633,711 to Qualitex for the color green-gold as applied to "machine parts, namely, press pads and covers for press pads for commercial and industrial presses" (App. A, *infra,* 4a).[2]

Press pads made by Qualitex and its competitors are sold to dry cleaning businesses, laundries, and manufacturers for use on dry cleaning presses (App. B, *infra,* 15a). Among this group, many have come to recognize the green-gold color as representing the high quality press pads of Qualitex (App. A, *infra,* 12a) and some of these customers order the product merely by describing its color (App. B, *infra,* 17a). Many purchasers do not speak or read English well (App. A, *infra,* 13a; App. B, *infra,* 16a). Foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a competitive pad when they are shown a green-gold pad which they naturally assume to be the Qualitex product (App. A, *infra,* 13a).

Jacobson intentionally copied the appearance of the SUN GLOW® pad using a color identical to the Qualitex green-gold trademark and put an inferior pad into the marketplace bearing the copied mark (App. A, *infra,* 13a; App. B, *infra,* 20a). At trial, Qualitex presented evidence from a survey where people in the dry cleaning industry were shown the Jacobson press pad and asked what company made the pad (App. A, *infra,* 13a; App. B, *infra,* 21a).[3] Thirty-nine percent identified the

[2] A copy of Certificate of Registration No. 1,633,711 was lodged concurrently with the Petition. The particulars of the trademark application from which Registration No. 1,633,711 was issued are published at Official Gazette of the United States Patent Office, Aug. 14, 1990, at TM 62 [hereinafter Off. Gaz. Pat. Office].

[3] In a review of trademark surveys introduced in trademark cases during 1992, the Qualitex survey was described as "perhaps the soundest survey" of the year. Anthony L. Fletcher & David J. Kera, *The Forty-Fifth Year of Administration of the Lanham Act of 1946,* 82 Trademark Rep. 1041, 1196 (1992).

Jacobson pad as being made by Qualitex, while not a single respondent answered that it was a Jacobson pad (App. A, *infra*, 13a; App. B, *infra*, 21a). When asked what made them think that Qualitex made the Jacobson pad, many replied "the color" (App. B, *infra*, 21a).

The District Court found that the sale of the Jacobson pad created a likelihood of confusion, deception, and mistake in the marketplace (App. B, *infra*, 24a).

II. Proceedings Below

Qualitex brought suit pursuant to Section 32(1) of the Lanham Act, 15 U.S.C. § 1114, for infringement of its registered trademark, and pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), for unfair competition and trade dress infringement based upon Jacobson's actions in copying the Qualitex green-gold SUN GLOW® trade dress and putting an inferior product on the market bearing that distinctive trade dress. Jacobson counterclaimed for cancellation of Qualitex's registered trademark. After trial, the District Court held that Jacobson had infringed Qualitex's registered trademark and had failed to prove that the trademark was invalid (App. B, *infra*, 24a). Jacobson was found liable under both Sections 32(1) and 43(a) of the Lanham Act (App. B, *infra*, 24a, 26a).

Upon appeal by Jacobson, the Ninth Circuit affirmed the District Court's decision regarding Jacobson's violation of Section 43(a) (App. A, *infra*, 14a).[4] However, the Ninth Circuit reversed the District Court's holdings regarding infringement

[4] The protection available to Qualitex under the Lanham Act's unfair competition provisions, Section 43(a), is not equivalent to and does not replace the protection afforded to the owner of a registered trademark. The Lanham Act altered the common law and provides important substantive rights to a registrant. *See Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 199 (1985). The loss of a registration denies a trademark owner, among other things: (1) the ability to establish *prima facie* ownership and validity of the mark by admitting its Certificate of Registration as evidence in an infringement proceeding, 15 U.S.C. § 1057 (b); (2) constructive notice throughout the United States of the owner's claim to ownership, 15 U.S.C. § 1072, *Park 'n Fly, 469 U.S.*

Continued

of Qualitex's registered trademark and Jacobson's counterclaim for cancellation thereof (App. A, *infra*, 14a). The Ninth Circuit did not find any error in the factual findings of the District Court. Nor did it find any error in the Patent and Trademark Office proceedings by which the Certificate of Registration of the green-gold color trademark was issued to Qualitex. The Ninth Circuit acknowledged that the registration of a color is not explicitly barred by the Lanham Act (App. A, *infra*, 5a), and that other circuits allow trademark protection of color marks under the Lanham Act. However, it ordered the District Court to cancel the Qualitex registration because the "better rule is that a trademark should not be registered for color alone" (App. A, *infra*, 7a).

The uniform system of trademark registration and enforcement intended by Congress under the Lanham Act is frustrated by the inconsistent and conflicting decisions in the judicial circuits and the failure to defer to the decision of the Patent and Trademark Office to register color trademarks. Qualitex seeks review of this direct and irreconcilable conflict among the circuits regarding whether color alone may be protected as a trademark and registered pursuant to the provisions of the Lanham Act.

Continued from previous page

at 202; (3) the opportunity to prevent the importation of counterfeit goods by recording a registered mark with the Department of the Treasury, 15 U.S.C. § 1124, *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); (4) the operation of Section 15 of the Lanham Act which renders a registration incontestable after five years of continuous use, 15 U.S.C. § 1065, *Park 'n Fly*, 469 U.S. at 205; and (5) the option to take action pursuant to Section 34(d)(1) of the Lanham Act regarding use of counterfeit marks, 15 U.S.C. § 1116(d)(1).

Further, in order to prevail against an infringer under § 43(a) without a registration, Qualitex faces a substantially greater burden of proof since it would have to establish anew secondary meaning and other elements of validity and ownership. *See Two Pesos*, 112 S. Ct. at 2757-60. *See also Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) (refusing to extend protection to a color mark under 43 (a)).

REASONS FOR GRANTING THE PETITION

I. THE DECISION OF THE NINTH CIRCUIT IS IN DIRECT CONFLICT WITH THE DECISIONS OF OTHER CIRCUITS

The determination by the Ninth Circuit that, as a matter of law, color cannot be protected as a trademark and registered under the Lanham Act is in direct conflict with decisions of the United States Courts of Appeals for the Federal Circuit[5] and the Eighth Circuit. *Compare In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) *and Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) *with Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) *and Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994) (App. A).[6]

In *Owens-Corning*, the Federal Circuit held that color could be registered and protected as trademark under the Lanham Act if the statutory conditions were otherwise met. 774 F.2d at 1122. The Federal Circuit examined the express language of the Lanham Act, which in Section 45 defines "trademark" to include "any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of those goods." 15 U.S.C. § 1127. Further, the preamble to

[5] The Federal Circuit has specialty jurisdiction to hear appeals relating to patents and trademarks emanating from the Patent and Trademark Office, including Trademark Trial and Appeal Board decisions. 28 U.S.C. § 1295(a)(4). While in the case of trademark cases this jurisdiction is not exclusive (15 U.S.C. § 1071), as a practical matter, the Federal Circuit is the reviewing court for virtually all of the Patent and Trademark Office's registrability determinations. Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993).

[6] Other courts have considered with conflicting results the issue of whether there is an absolute prohibition on protection of colors as trademarks. *Compare Cooper Indus., Inc. v. Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992)(no absolute prohibition) *and Durango Herald, Inc. v. Riddle*, 719 F. Supp. 941, 950 (D. Colo. 1988)(no *per se* prohibition) *with Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959)(*per se* prohibition) *and Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir. 1949)(*per se* prohibition).

Section 2 of the Act states "No trademark . . . shall be refused registration . . . on account of its nature" except for the reasons enumerated in the statute.[7] 15 U.S.C. § 1052. Since color is not one of the enumerated reasons for denying registration and since Owens-Corning used pink in a manner falling within the statutory definition of "trademark," the Federal Circuit concluded that pink could be registered as a trademark under the Lanham Act.[8] 774 F.2d at 1116.

The Federal Circuit found that registration of color trademarks was consistent with the purposes of the Lanham Act. "Over the thirty-nine years of the Lanham Act, it has become established that the color of goods, as other indicia, may serve as a trademark if the statutory requirements are met." 774 F.2d at 1122. The Lanham Act was intended to bring trademark law into conformity with modern business practices and to dispense with mere technical, common law prohibitions on trademark protection:

> Under the Lanham Act trademark registration became available to may types of previously excluded indicia. Change was gradual and evolutionary, as the Patent and Trademark Office and the courts were presented with new concepts. . . . The jurisprudence

[7] Section 2 of the Lanham Act prohibits a registration of (a) scandalous or immoral matter, (b) national symbols such as the U.S. flag, (c) the name or portrait of a living person without consent, (d) marks which are confusingly similar to previously registered marks, and (e) marks which are descriptive, geographically descriptive, or deceptively misdescriptive. *See* 15 U.S.C. § 1052.

[8] The Federal Circuit found that the color pink as applied to Owens-Corning's fiberglass insulation functioned as a trademark. 774 F.2d at 1123. Owens-Corning had made continuous and exclusive use of the color pink on its products for more than 30 years, had used pink in dyeing its products to create consumer recognition, had selected a color which is not a primary, secondary, or tertiary color, and had consistently advertised its products emphasizing the color pink throughout the more than 30-year period of use. 774 F.2d at 1125. From this, the Federal Circuit concluded that Owens-Corning had developed secondary meaning in the color pink. 774 F.2d at 1127. Moreover, Owens-Corning did not use color as a functional feature of its products. 774 F.2d at 1122. For trademark purposes, Qualitex's use of its green-gold mark is nearly identical to Owens-Corning's use of its pink mark. *See, infra*, n. 13.

> under the Lanham Act developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive or the applicant's goods in commerce, then it is capable of serving as a trademark.

774 F.2d at 1119-20. This decision met with approval by commentators.[9] Subsequent to this decision, the Patent and Trademark Office has issued registrations to applicants using color in a trademark manner.[10]

Like the Federal Circuit, the Eighth Circuit has also determined that there is no basis in the law for denying trademark protection to colors which serve to identify and distinguish the products to which they are applied. *Master Distributors*, 986 F.2d at 219. In *Master Distributors*, the Eighth

[9] Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 559 (1987) *citing* Lee Burgunder, *Trademark Registration of Product Colors: Issues and Answers*, 26 Santa Clara L. Rev. 581 (Spring 1986); Brian R. Henry, *Right Hat, Wrong Peg: In re Ownes-Corning Fiberglas Corportion and the Demise of the Mere Color Rule*, 76 Trademark Rep. 389 (1986); Lawrence D. Grewach, *The Federal Circuit puts Owens-Corning In the Pink*, 35 Am. U. L. Rev. 1221 (Summer 1986); Janet R. Hubbard, *Think Pink! Color Can Be A Trademark*, 43 Wash. & Lee L. Rev. 1433 (Fall 1986).

[10] *E.g.*, Registration No. 1,439,132, issued to Ownes-Corning Fiberglas Corporation, published at Off. Gaz. Pat. Office, Apr. 8, 1986, at TM 69 (pink as applied to fibrous glass residential insulation); Registration No. 1,633,711, issued to Qualitex Company, published at Off. Gaz. Pat. Office, Aug. 14, 1990, at TM 62 (green-gold as applied to press pads and press pad covers); Registration No. 1,536,106, issued to Channellock, Inc., published at Off. Gaz. Pat. Office, Jun. 7, 1988, at TM 43 (a shade of the color blue is applied to hand tools). Further, the Patent and Trademark Office has examined, found to be registrable, and published for opposition trademark application Serial Nos. 74/347,285, Off. Gaz. Pat. Office, Jan. 11, 1994, at TM 110 (application to register lavender as applied to polyurethane building insulation), and 74/356,882, Off. Gaz. Pat. Office, Aug. 24, 1993, at TM 117 (application to register green in connection with cuffs for gloves).

See also the Patent and Trademark Office's *Trademark Manual of Examining Procedure*, § 1202.04(e), at 1202-13 (2d ed. 1993), setting forth examination guidelines for examining applications seeking registration of color trademarks. The Manual states that "color can function as a trademark if it is used on goods in the manner of a trademark and if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source." *Id.*

Circuit reversed summary judgment for the defendant, holding that trademark rights could be established in a shade of the color blue as applied to plaintiff's film leader tape. The Eighth Circuit found that establishment of a *per se* prohibition against protection of color trademarks[11] is likely to result in confusion and unpredictability, particularly where the result is inconsistent enforcement of federal trademark registrations. 986 F.2d at 224.

The Eighth Circuit agreed with the Federal Circuit that the language of the Lanhan Act does not support a *per se* prohibition against the protection of color as a trademark. 986 F.2d at 224. The Eighth Circuit had the benefit of Congressional intention as expressed during the overhaul of the Lanham Act in 1988, after the decision in *Owens-Corning*. In revising the Lanham Act, Congress amended the definition of the term "trademark" but "intentionally retain[ed] . . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607 (emphasis added) (*cited in Master Distributors*, 986 F.2d at 224). Based upon this clear expression of legislative intent and the language of the statute, the Eighth Circuit held that color could function as a trademark if all the normal trademark requirements are met. 986 F.2d at 224.

In the present case, the Ninth Circuit mentioned but did not distinguish either the reasoning of the majority opinion

[11] The Eighth Circuit examined and found unpersuasive the traditional arguments against granting trademark protection to colors. First, the color depletion theory is flawed because the protection of a specific color shade in connection with particular goods is not likely to hinder competition by depleting available colors, particularly since the owner of a color trademark must still establish all of the traditional prerequisites to trademark protection which are designed to foster lawful competition. 986 F.2d at 223. Second, issues of infringement involving color trademarks are no more difficult than distinguishing among closely similar word marks, thereby refuting the shade confusion argument. *Id.* Third, colors which are functional features of a product are no more subject to trademark protection than any other functional product feature, such that the functionality doctrine is not inconsistent with protection of color trademarks in appropriate circumstances. *Id.* at 224.

in *Owens-Corning* or that of the Eighth Circuit in *Master Distributors*. The Ninth Circuit acknowledged, as the Federal Circuit found, that the Lanham Act does not prohibit the registration of color (App. A, *infra*, 5a).[12] The Ninth Circuit did not criticize the careful reasoning of the majority opinion in *Owens-Corning*, but inexplicably decided to follow the disent in that case.[13] Further, the Ninth Circuit found no factual basis for denying Qualitex the right to register its green-gold trademark. However, the Ninth Circuit summarily reversed the District Court on this issue and ordered cancellation of the green-gold trademark registration. The Ninth Circuit concluded that, in its opinion, "the better rule is that a trademark should not be registered for color alone" (App. A. *infra*, 5a).[14]

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[12] The Ninth Circuit stated:

> Registration of mere color is not explicitly barred by the Lanham Act, which provides that '[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration,' 15 U.S.C. §1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. §1052 applies. Color is not listed as an exception (App. A, *infra*, 5a).

[13] In declining to agree with the majority opinion, the Ninth Circuit failed to address the close factual parallels between the circumstances under which Owens-Corning acquired trademark rights in the color pink and those under which Qualitex acquired trademark rights in the color green-gold. *See* n.8, *supra*. The District Court found and the Ninth Circuit agreed that the long and exclusive manner in which Qualitex used the green-gold color supported the finding that that color had acquired secondary meaning as a trademark of Qualitex (App. A, *infra*, 12a). Furthermore, the Ninth Circuit found no error in the District Court's determination that green-gold is non-functional as used by Qualitex (App. A, *infra*, 11a). There is no competitive need in the industry for the color green-gold since other colors are equally useable and the range of tones available is in the hundreds, if not thousands (App. A, *infra*, 11a).

[14] The Ninth Circuit stated that it was following the "majority of circuits" but cited only the Seventh Circuit decision in *Nutrasweet*, the sole circuit court to refuse trademark protection to colors following the legislative history of the 1988 Trademark Law Revision Act (*see* p. 13, *supra*). Plainly, the Federal Circuit and the Eighth Circuit were the majority against the sole contrary holding of the Seventh Circuit at the time this matter was before the Ninth Circuit. *See Master Distributors*, 986 F.2d at 222 (prior to the Ninth Circuit decision, this decision and the decisions of the Federal Circuit and Seventh Circuit were the only ones to "squarely face this issue").

By this holding, the Ninth Circuit aligned itself with the United States Court of Appeals for the Seventh Circuit as stated in *Nutrasweet*. In *Nutrasweet*, the Seventh Circuit refused to protect the color blue as a trademark for tabletop packages of artificial sweetener, adopting the dissent in *Owens-Corning*. The Seventh Circuit's conclusion that "consistency and predictability" were compelling reasons for holding that the overall color of a product is not entitled to registration, was criticized in *Master Distributors*: "[E]stablishing a *per se* prohibition against protection of a color mark would cause confusion and inconsistency." 986 F.2d at 224.

This Court is thus faced with a conflict[15] between the Federal Circuit, the Eighth Circuit, and the U.S. Patent and Trademark Office on the one hand, and the Ninth Circuit and the Seventh Circuit on the other. *Certiorari* should be granted to review this irreconcilable conflict.

II. THE CONSISTENT NATIONAL SCHEME OF TRADEMARK PROTECTION IS IMPAIRED BY THE DECISION OF THE NINTH CIRCUIT

A consistently-applied, nationwide scheme for the protection of trademarks is of national importance, which benefits all who participate in commercial transactions, and facilitates the flow of goods and services throughout the country. The Lanham Act was adopted in order to provide national protection for trademarks used in interstate and foreign commerce. *Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). Where colors function as trademarks to identify and distinguish products, national protection of that function

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[15] This conflict has been remarked upon by courts and commentators alike. *E.g., Master Distributors*, 986 F.2d at 224 (acknowledging the split between federal circuit courts); Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993) (the conflict among the circuits creates a legal anomaly which should not be allowed to persist); Lawrence D. Grewach, *In re Owens-Corning Fiberglas Corp.: The Federal Circuit Puts Owens-Corning "in the Pink"*, 35 Am. U. L. Rev. 1221 (1986) (mixed appeals court decisions have complicated the question of whether a product's color is registrable as a trademark).

is important to the continued operation of the scheme intended by Congress.[16] Not allowing manufacturers to protect color marks when all the traditional requirements have been met will promote inconsistency and confusion. *Master Distributors*, 986 F.2d at 223.

The Ninth Circuit's refusal to acknowledge the capacity of color to identify and distinguish products clearly fosters a lack of uniformity in trademark protection and enforcement. The result is a patchwork of conflicting jurisdictions, some in which the owner of a color trademark may expect its registration under the Lanham Act to be enforced, and others in which it will be found invalid. As the reviewing court for virtually all of the United States Patent and Trademark Office's registrability determinations, the Federal Circuit may order the issuance of trademark registrations that courts in other circuits may cancel. This creates a legal anomaly which should not be allowed to persist. Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993).

Such variation and uncertainty in different parts of the country is precisely what the Lanham Act was designed to avoid:

> Previous federal legislation, such as the Federal Trademark Act of 1905 . . . reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law . . . Consequently rights to trademarks were uncertain and subject to variation in different parts of the country. Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that a sound

[16] *See The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375, 421 (1987). *See also* Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 568 (1993) ("As a policy matter, color alone should be elgibile for federal trademark protection.") (Jeffrey M. Samuels is the former Assistant Commissioner for Trademarks of the U.S. Patent and Trademark Office).

> public policy requires that trademarks should receive nationally the greatest protection that can be given them.

Park 'n Fly, 469 U.S. at 198.

Consistent with these goals, the Lanham Act was drafted to broadly define what may comprise a trademark protectable under the Act to encompass all indicia, including color, which function to identify and distinguish products. *See* excerpt of S. Rep. No. 100-515, p. 13, *supra*. The Patent and Trademark office, charged by Congress with administration and construction of the Lanham Act, has acted in accordance with this Congressional intent by issuing trademark registrations for colors and even a fragrance.[17] *See also In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228 (T.T.A.B. 1986); *Owens-Corning*, 774 F.2d at 1116; *In re Clarke*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990).

By cancelling the Qualitex registration simply because the mark is comprised of a color, the Ninth Circuit completely ignored the controlling language of the Lanham Act, its legislative history, the Congressional policy of uniform national trademark protection, and the Patent and Trademark Office's construction of the Lanham Act to permit colors to come within the definition of "trademark."

The Ninth Circuit's decision, as a part of the wider conflict among the circuits, will thoroughly frustrate the Congressional mandate of uniform and consistent national trademark protection. This Court should grant *certiorari* to address the important issue of whether the Lanham Act will be construed consistently throughout this country to permit the protection of color trademarks.

[17] *See* n. 10, *supra*, and Registration No. 1,639,128, issued to Celia Clarke, published at Off. Gaz. Pat. Office, Jan. 1, 1991, at TM 98 (a floral fragrance as applied to yarn).

III. THE DECISION OF THE NINTH CIRCUIT FAILED COMPLETELY TO GIVE DEFERENCE TO THE STATUTORY CONSTRUCTION AND FACTUAL FINDINGS OF THE PATENT AND TRADEMARK OFFICE AND THE *PRIMA FACIE* EFFECT OF A CERTIFICATE OF REGISTRATION

In summarily cancelling Qualitex's federal registration, the Ninth Circuit departed from the established standard for reviewing construction of a statue by an agency charged with administering it and ignored the mandate of the Lanham Act that a Certificate of Registration be considered *prima facie* evidence of the validity of a registered mark. One who has obtained a valid trademark in compliance with the Lanham Act should not be lightly denied that property right. *Cooper Indus., Inc. v. Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992); *In re Application of Myers*, 201 F.2d 379, 383-84 (C.C.P.A. 1953). The Ninth Circuits's decision would deny this property right to Qualitex without any legal basis.

The construction of a statue by an agency which administers it may not be disturbed as an abuse of discretion if it reflects a plausible construction of the plain language of the statute and does not otherwise conflict with Congress' express intent. *Rust v. Sullivan*, 500 U.S. 173 (1991); *Chevron, U.S.A., Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, 843, *reh'g denied*, 468 U.S. 1227 (1984). The Patent and Trademark Office is the agency charged with the duty of determining whether a particular mark qualifies for registration. 15 U.S.C. § 1062. The Ninth Circuit tacitly acknowledged that permitting registration of color was a plausible construction of the Lanham Act since "registration of mere color is not explicitly barred by the Lanham Act . . . " (App. A, *infra*, 5a). Moreover, as discussed above,[18] such a construction is entirely consistent with Congress' expressed intent. "If the intent of Congress is clear, that is the end of the matter; for [a] court as wells as [an] agency must give effect to the unambiguously expressed intent of Congress." *Chevron*, 467 U.S. at 842-43.

[18] *See* p. 13, *supra*.

Nevertheless, the Ninth Circuit determined to review *de novo* the legal question of whether color *per se* qualifies for trademark protection under the Lanham Act. This approach violates the clear admonition in *Chevron*: "if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute." 467 U.S at 343. In its decision, the Ninth Circuit clearly acknowledged that construing the Lanham Act to permit registration of color was permissible, but it did not give any deference to the action of the Patent and Trademark Office in registering such marks.[19] Moreover, the Ninth Circuit did not attempt to justify its decision by reference to the language or legislative history of the Lanham Act.[20] Rather, the Ninth Cirucit substituted its own view of the "better rule" regarding the proper policy to be applied in registering trademarks for that of the Patent and Trademark Office. Such substitution is improper and violates long standing principles of administrative review. *See American Tel. & Tel. Co. v. United States*, 299 U.S. 232, 236 (1936); *Chevron*, 467 U.S. at 843 n. 11.

In failing to defer to the expressed intention of Congress and the action of the Patent and Trademark Office, the Ninth Circuit clearly went beyond its proper role. As this court stated in *Chevron*:

> [F]ederal judges—who have no constituency—have a duty to respect legitimate policy choices made by those who do. The responsibilities for assessing the wisdom of such policy choices and resolving the struggle between competing views of the public interest are not judicial ones: 'Our Constitution vests such responsibilities in the political branches.'

[19] *See* n. 10, *infra*.

[20] This failure to refer to the language or legislative history of the Lanham Act is similar to the Ninth Circuit's action in *Park 'n Fly*, 469 U.S. at 189, which this Court reviewed and reversed, stating "Nothing in the legislative history of the Lanham Act supports a departure from the plain language of the statutory provisions . . ." *Id.* at 197-98.

467 U.S. at 866.

Whether a particular mark merits registration is a question of fact. *See In re Advertising & Mktg. Dev., Inc.*, 821 F.2d 614, 621 (Fed. Cir. 1987). In issuing a Certificate of Registration, the Patent and Trademark Office necessarily determines that the mark comes within the definition of the term "trademark" set forth in Section 45 of the Lanham Act, 15 U.S.C. § 1127, and is not barred by any of the exclusions set forth in Section 2, 15 U.S.C. § 1052. The statute, as the Ninth Circuit recognized (App. A, *infra*, 5a), provides that the Certificate of Registration "shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated in the certificate." 15 U.S.C. § 1057.

The District Court found that Jacobson had not met its burden of showing that the Qualitex registration should be cancelled. In reviewing the factual findings of the District Court, the Ninth Circuit was bound by the "clearly erroneous" standard of Rule 52(a), Fed. R. Civ. P. *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 855 (1982). The Ninth Circuit found no such error in the factual findings of the District Court. Absent a finding of clear error, the Ninth Circuit was required to affirm the holding of the district court that the *prima facie*

evidence of the Certificate of Registration was not rebutted.[2] [1] *See Aluminim Fabricating Co. v. Season-All Window*, 259 F.2d 314, 317 (2d Cir. 1958). As the Ninth Circuit was bound by the factual findings of the District Court, it had no basis to cancel Qualitex's registration.

The Ninth Circuit's decision failed to give appropriate deference to the factual findings and the construction and application of the statute of those charged with the responsiblity for such actions. The Ninth Circuit's decision to summarily cancel the Certificate of Registration granted to Qualitex without any legal basis is a glaring departure from the accepted and usual course of judicial proceedings. This Court should grant *certiorari* to also rectify the Ninth Circuit's failure to apply appropriate legal standards of review.

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[2] Section 37 of the Lanham Act gives courts the power to cancel federal trademark registrations and to otherwise rectify the records of the Patent and Trademark Office. 15 U.S.C. § 1119. This power has been found to be concurrent with that of the Patent and Trademark Office to review issues involving registered marks. *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091, 1092 (4th Cir. 1993). In a case such as this, where the registration is not yet incontestable, such cancellation may be based upon any ground which could have prevented registration in the first instance. *International Mobile Machs. Corp. v. International Tel. and Tel. Corp.*, 800 F.2d 1118, 1119-20 (Fed. Cir. 1986); *Neva, Inc. v. Christian Duplications Int'l, Inc.*, 743 F. Supp. 1533, 1549 (M.D. Fla. 1990). In determining whether to cancel a registration, the court is still bound by the provisions of Section 7(b), 15 U.S.C. § 1057(b), which state that the registration shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark. *Aluminim Fabricating Co.*, 259 F.2d at 317. Moreover, the power granted by Section 37 of the Lanham Act, 15 U.S.C. § 1119, does not permit an appellate court to disregard established principles requiring judicial deference to the statutory construction of administrative agencies as set forth in *Chevron* and its progeny.

CONCLUSION

For the reasons set forth above, a writ of certiorari should issue to review the judgment and opinion of the Ninth Circuit.

Respectfully submitted,

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April 4, 1994

APPENDIX

APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

QUALITEX COMPANY,
Plaintiff-Appellee,
v.
JACOBSON PRODUCTS COMPANY, INC.,
Defendant-Appellant.

No. 91-56260.

Argued and Submitted Feb. 2, 1993.
Decided Jan. 3, 1994.

Appeal from the United States District Court for the Central District of California.

Before HUG, FERGUSON, O'SCANNLAIN, Circuit Judges.

HUG, Circuit Judge:

The primary issue in this trademark and unfair competition case is whether color per se is protectable under the Lanham Act. This action involves a claim of trademark infringement and unfair competition. Qualitex Company ("Qualitex") contended that Jacobson Products Company, Inc. ("Jacobson") was manufacturing and selling green-gold press pads designed to look like the "SUN GLOW" pads that Qualitex had promoted and sold for over 30 years. Jacobson brought a counterclaim to declare invalid the Qualitex trademark for the color of its pads on the ground that a trademark could not be granted for color alone. The district court held Jacobson liable for damages from trademark infringement and unfair competition, and enjoined Jacobson from manufacturing, marketing, or selling press pads of the same green-gold color as the pads marketed by Qualitex.

The district court's jurisdiction was based upon 15 U.S.C. § 1121 and 28 U.S.C. § 1338(a) and (b). We have jurisdiction pursuant to 28 U.S.C. § 1291, and we affirm the judgment against Jacobson for unfair competition but hold that the Qualitex trademark for color alone is invalid.

I.

Qualitex, an Illinois corporation, manufactures and sells various products for dry cleaners, laundries and garment manufacturers. In 1957, Qualitex began manufacturing and selling its "SUN GLOW" press pad for use on dry cleaning presses. Qualitex's predecessor registered the trademark "SUN GLOW" with the United States Patent and Trademark Office in 1959. The fabric for the cover of the pad is a unique green-gold color.

Jacobson began manufacturing and marketing a "MAGIC GLOW" press pad in 1989. The cover is the same green-gold color as that of Qualitex's "SUN GLOW" pad, and the names of the pads are similar.

Qualitex initiated this action on March 9, 1990, by filing a complaint seeking injunctive relief and damages from Jacobson on the grounds that (1) Jacobson infringed Qualitex's trade dress in violation of Section 43(a) of the Lanham Act; and (2) Jacobson "passed off" its goods as those of Qualitex, and thus was guilty of unfair competition in violation of section 43 of the Lanham Act. During the pendency of this action, Qualitex filed for registration of the green-gold color. Registration was granted by the Patent and Trademark Office on February 5, 1991, and Qualitex added to its complaint the claim that Jacobson infringed Qualitex's federally registered trademark, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

Jacobson argued that its actions were not prohibited by Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), as unfair competition. Further, Jacobson counterclaimed for the cancellation of Qualitex's registered trademark, arguing

that no valid interest existed because color per se is not protectable; the color is functional and thus not protectable; no likelihood of confusion existed; and no secondary meaning was associated with Qualitex's trademark.

The evidence showed that readers of a trade publication associated the green-gold color with Qualitex, and that the "SUN GLOW" pad had acquired secondary meaning, as a result of its long and exclusive use by Qualitex. Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. The court concluded that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. As to the green-gold color, the court found that the color did not affect the quality of the pads, and that there was no competitive need in the industry for the particular green-gold color. Although the court found a competitive need in the industry for color in general, the court noted that the range of tones available was "in the hundreds, if not thousands."

In its Conclusions of Law, the court held that Jacobson had infringed Qualitex's registered trademark and had failed to prove that the trademark was invalid. Jacobson was found guilty of unfair competition by copying the appearance of the "SUN GLOW" pad and deceiving purchasers, putting an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of said purchasers and Qualitex, and infringing Qualitex's registered trademark for the green-gold color. Finally, the court held that Jacobson was also guilty of unfair competition because Jacobson had infringed Qualitex's trade dress.

The district court's order provided that Qualitex was entitled to an injunction against Jacobson's infringement of the registered trademark and the trade dress, and against the unfair competition. Jacobson was also held liable for the profits it made from its infringement. The court did not award enhanced damages and attorney's fees because

Jacobson's copying had been done under the reasonable belief that Qualitex could not appropriate a color.

II.

A claim of federal trademark infringement may be brought against one who, without the permission of the holder of the registered trademark,

> use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive
> . . . .

15 U.S.C. § 1114(1)(a); *see also Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir. 1988).

While this case was pending, Qualitex applied to the U.S. Patent and Trademark Office for a Certificate of Registration, granted on February 5, 1991. The registration states in part:

> For machine parts: namely, press pads and covers for press pads for commercial and industrial presses
> . . . .
>
> The drawing is lined for the color gold.
>
> The mark consists of a particular shade of green-gold applied to the top and side surfaces of the goods.

Certificate of Registration No. 1,633,711.

A certificate of registration is prima facie evidence of the validity of the mark and relieves the holder, Qualitex, of the burden of proving nonfunctionality and secondary

meaning. 15 U.S.C. § 1057(b). It shifts the burden of proof to the contesting party, who must introduce sufficient evidence to rebut the presumption of the holder's right to protected use. *See Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775 [212 USPQ 85] (9th Cir. 1981). Jacobson contends that it met that burden by showing that Qualitex's green-gold color alone is not protectable, and that the trademark is invalid.

III.

The district court ruled that Jacobson infringed on Qualitex's registered trademark, the green-gold color of the press pads. A district court's findings of facts are reviewed for clear error. *See Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 514 (9th Cir.), *cert. denied*, 493 U.S. 872 (1989). Whether color per se qualifies for trademark protection is a legal question to be reviewed *de novo*. *See id.* ("[i]ssues concerning the correct test to be used in evaluating trademark infringement are reviewed *de novo*").

Registration of mere color is not explicitly barred by the Lanham Act, which provides that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration," 15 U.S.C. § 1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception. *See In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985). However, the courts of appeals generally have refused to grant trademark protection for color alone. *See Owens-Corning*, 774 F.2d at 1128 & n.2, 1129 (Bissell, J., dissenting) (collecting circuit decisions denying trademark protection for color alone); 1 J. Thomas McCarthy, *Trademarks & Unfair Competition* §§ 7:16, 7:17 (2d ed. 1984) (color per se, unconfined by any defined design, generally cannot be the subject of a trademark; the use of one color as the color of a product usually does not have trademark significance).

A divided panel of the Federal Circuit held that in the unusual circumstances presented by Owens-Corning, where vast sums had been expended in advertising their pink insulation through the "Pink Panther" ads, and where there was no competitive need for the color pink, a trademark for that color was properly registered as a trademark. *Owens-Corning*, 774 F.2d at 1128.

In a more recent decision, the Eighth Circuit refused to establish a per se rule prohibiting the registration of color as a trademark. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993). In *Master Distributors*, the district court held, as a matter of law, that color alone could not be protected as a trademark. The court of appeals reversed, declining to establish that as a matter of law a color alone could not be protected. The court ruled that if a party can establish all the normal trademark requirements arising from the color of its product, the party can register that color as a trademark. *Id.* at 224.

The majority of the other circuits have refused to give a color the protection of a registered trademark. The Seventh Circuit recently affirmed its rule that the overall color of a product cannot be a trade identity designation, and is not entitled to registration. *See NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). *NutraSweet* held that color alone cannot be protected as a trademark, although it may be protected if used "in connection with some symbol or design or impressed in a particular design." *Id.* at 1027.

NutraSweet claimed trade-dress infringement under section 43(a) when another company began marketing tabletop sweetener in a blue packet that was similar, but not identical, to the shade of blue used by NutraSweet for its tabletop sweetener. *Id.* at 1026. The court noted that the appropriation of particular colors could lead to questions of shade confusion, and stated that granting to NutraSweet a protectable interest in pastel blue "might create a barrier to otherwise lawful competition in the tabletop sweetener

market." *Id.* at 1028. The court declined to adopt "a fact-driven standard which would require the trial court to scrutinize the tabletop sweetener market to determine the number of competitors and the likelihood of future competitors in that market to determine whether there is a competitive need for the color blue to remain available." *Id.* Thus, the Seventh Circuit refused to recognize any protectable interest in color alone.

We discussed the question of whether color alone could be validly registered as trademark in *First Brands Corp. v. Fred Mayer, Inc.*, 809 F.2d 1378 (9th Cir. 1987), in the context of a trade dress case. We noted that when "[c]onfronted with an unusual set of facts the court in *Owens-Corning* established a very limited rule that in certain situations a particular color could itself be registered as a trademark." *Id.* at 1382. We did not adopt the *Owens-Corning* rule, as we were merely referring to it in the context of a trade dress case, where we ultimately held that a yellow ordinarily shaped antifreeze container was not protectable trade dress. *Id.* at 1381, 1385.

[1] In this case, we confront the issue of whether to follow the majority of circuits in holding that color alone cannot form the basis for a trademark, or to acknowledge the exception of *Owens-Corning*. We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in "shade confusion" as noted in *NutraSweet*, 917 F.2d at 1027, and in Judge Bissell's dissent in *Owens-Corning*, 774 F.2d at 1131. Drawing distinctions between close shades of color could present unnecessary problems. Adequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos. *See Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989). Furthermore, as we

discuss hereafter, further protection is afforded by the Lanham Act's unfair competition provisions.

IV.

The basic test for unfair competition is whether consumer confusion or deception is likely as a result of the defendant's acts. *Century 21,* 846 F.2d at 1178. Registration of a trademark is not a prerequisite for recovery under section 43(a), but a party must have a "reasonable interest to be protected." *New West Corp. v. NYM Co. of California, Inc.,* 595 F.2d 1194, 1198 (9th Cir. 1979), *quoted* in *Smith v. Montoro,* 648 F.2d 602, 605 (9th Cir. 1981); *see also Metric & Multistandard Components Corp. v. Metric's, Inc.,* 635 F.2d 710, 714 (8th Cir. 1980) (a mark not entitled to trademark protection may be entitled to unfair competition protection).

A claim of unfair competition under Section 43(a) of the Lanham Act can take many different forms. Section 43(a) of the Lanham Act states:

> (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which --
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person ...shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125 . . . . Traditionally, many courts restricted claims for unfair competition to situations where there was "passing off," which is the selling of a good of one's own creation under the name or mark of another. *See Smith,* 648 F.2d at 604. "Express passing off occurs when an enterprise labels goods or services with a mark identical to that of another enterprise, or otherwise expressly misrepresents that the goods originated with another enterprise." *Id.* However, a claim of unfair competition under section 43(a) is no longer limited to cases of passing off. Professor McCarthy has noted that:

> most courts [today] recognize that passing off is merely a single type of theory within the broad spectrum of unfair competition law. Today, the law of Unfair Competition and Trademarks has progressed far beyond the old concept of fraudulent passing off, to encompass any form of competition or selling which contravenes society's current concepts of "fairness". . . .

2 McCarthy 25:1, 233 (footnotes omitted). In *Smith v. Montoro,* we expressly adopted the same view. 648 F.2d at 604.

[2] Another way a party may be guilty of unfair competition under section 43(a) is a "trade dress" infringement. The trade dress of a product is its overall image as it is presented to the consumer and includes aspects such as the size, shape, color, or design of the product. *See NutraSweet,* 917 F.2d at 1027 n.7; 15 U.S.C. § 1125(a). For a successful trade-dress claim, the plaintiff must show that its trade dress is protectable and that the defendant's use of similar trade dress is likely to confuse customers. *See Vision Sports,* 888 F.2d at 613. There are yet other ways of violating section 43(a), such as by using false or misleading geographical terms. As we noted in *New West:*

> [T]he ultimate test [under Section 43(a) of the Lanham Act] is whether the public is likely to be deceived or confused by the similarity of the marks. Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical--is there a "likelihood of confusion?"

New West, 595 F.2d at 1201 (citations omitted).

Trade-dress infringement is proved by showing (1) the trade dress is nonfunctional, (2) it has acquired secondary meaning, and (3) there is a likelihood of confusion between the products. *First Brands*, 809 F.2d at 1381; *Vision Sports*, 888 F.2d at 613. In a trade-dress infringement claim, the trier of fact must look at the "total impression of the package, size, shape, color, design, and name" to determine if it is likely to confuse the consumer as to the origin of the product. 1 McCarthy 2:2 (quoting *Jean Patou, Inc., v. Jacqueline Cochran, Inc.*, 201 F. Supp. 861 (S.D.N.Y. 1962), *aff'd*, 312 F.2d 125 (2d Cir. 1963)); *Vision Sports*, 888 F.2d at 613. In other words, whereas in a registered trademark infringement case, the court must look at a *single* aspect of the product -- the trademark itself -- a court in an trade-dress infringement case must look at the product as a whole. Therefore, it is possible to succeed on a suit for unfair competition even when there is no registered trademark to begin with or even if no aspect of the package, taken alone, is registrable as a trademark. *Id.*

[3] The district court determined that the "total impression" of the Qualitex green-gold pad and its "SUN GLOW" name constituted the trade dress, or overall appearance, of the Qualitex product. The court found that Qualitex had shown that the trade dress was nonfunctional, had acquired secondary meaning, and was likely to be confused with the trade dress of Jacobson's product. We review the district court's findings on the elements of nonfunctionality, secondary meaning, and likelihood of

confusion for clear error. *Clamp Mfg. Co.*, 870 F.2d at 514. We will not disturb the district court's decision unless, after reviewing all of the evidence, we are left with the definite and firm conviction that a mistake has been committed. *Id.* We conclude that the district court did not err in holding that Jacobson infringed on Qualitex's trade dress.

First, the district court found that the trade dress of the "SUN GLOW" press pad was nonfunctional. If a feature is functional, it is not protectable under the law of unfair competition. *First Brands*, 809 F.2d at 1381. "A product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1982); *see also Vuitton et Fils S.A.*, 644 F.2d at 773 (reversing district court's order invalidating registered trademark, and remanding for trial on the functionality issue).

The district court found that Qualitex's use of the green-gold color was aesthetic only; was not related in any way to the product's use, cost, quality, or longevity; was used to associate the color with the "SUN GLOW" press pads; and was more expensive than other colors. The district court found that the green-gold color was ornamental and did not make the pad perform any better than if any other color was used. Although evidence was presented that there may be a functional reason to have colored press pads to maintain a clean appearance, we conclude that it was not error for the district court to conclude that "there is no competitive need for the green-gold color, since other colors are equally usable" and that "the range of tones of available distinctive suitable colors ... is in the hundreds if not thousands."

Second, the district found that the trade dress of the press pad had acquired secondary meaning. A product has secondary meaning if purchasers in that product's market associate the trade dress of the product with a particular source. *See Clamp*, 870 F.2d at 517. The factors to be

assessed in determining secondary meaning are whether actual purchasers associate the press pads' trade dress with Qualitex, the degree and manner of Qualitex's use of the trade dress, and whether Qualitex's use of the trade dress has been exclusive. *See id.* at 517; *Vision Sports,* 888 F.2d at 615. Evidence that the manufacturer has used and advertised the product over a substantial period of time is sufficient to establish secondary meaning. *Clamp,* 870 F.2d at 517 (citing *First Brands,* 809 F.2d at 1383). Proof that another party intentionally copied the trade dress strongly supports a finding of secondary meaning. *Vision Sports,* 888 F.2d at 615.

Qualitex presented evidence that its customers have come to rely on the appearance of the "SUN GLOW" pad and to associate that appearance with Qualitex and Qualitex's reputation of producing a high-quality longer-lasting product. The evidence showed: Qualitex has sold its "SUN GLOW" press pad with a green-gold color for over 30 years. The company has spent over $1.6 million in advertising and promoting its press pads in magazines and at trade shows, and nearly all advertising and promotion have highlighted the green-gold color of the pad. Qualitex has run advertisements featuring the press pad's green-gold color on a monthly basis for the last 30 years in a leading magazine aimed at the dry cleaner market. There was evidence that readers of a trade publication associated the green-gold color with Qualitex. Further, Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. Thus, there was convincing evidence that the trade dress had acquired secondary meaning as a result of its long exclusive use by Qualitex.

Third, the court found that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. Factors that may be considered in determining a likelihood of confusion include the strength of the mark, the similarity of the mark, the class of goods and marketing channels, evidence of actual confusion, the intent of the second user, the degree of care likely to be exercised

by the purchaser, and the likelihood of expansion of the product lines. *See Eclipse Assoc. Ltd. v. Data General Corp.,* 894 F.2d 1114, 1117-18 (9th Cir. 1990); *AMF, Inc. v. Sleekcraft Boats,* 599 F.2d 341, 348-49 (9th Cir. 1979). These factors are nonexclusive guidelines and are not to be applied as a rigid formula. *Eclipse,* 894 F.2d at 1118.

The district court found that Jacobson intentionally copied the appearance of the "SUN GLOW" pad, and had put an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of Qualitex and purchasers. Jacobson's president and vice president testified that they deliberately copied the Qualitex pad cover.

The district court also found that there was a high degree of similarity between the products. Jacobson used exactly the same green-gold color as Qualitex. At trial, Qualitex showed that Jacobson stamps "MAGIC GLOW" on the side or skirt portion of the press-pad cover, which is the same portion of the pad where Qualitex stamps "SUN GLOW."

The degree of care likely to be exercised by the consumer also supported a finding of likelihood of confusion. Qualitex presented evidence that many purchasers do not speak or read English well. The court found that many "foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad."

As to actual confusion, Qualitex presented evidence of a survey. In that survey, when people in the dry cleaning industry were shown a Jacobson press pad and asked to identify the manufacturer, 39% responded that it was a Qualitex pad, while not a single respondent answered that it was a Jacobson pad.

[4] We find ample evidence in the record to conclude that the district court did not err in finding the necessary elements of a trade-dress infringement claim under Section 43(a) of the Lanham Act and concluding that Jacobson violated that section. We uphold the injunction.

Because we have found a violation of section 43(a) under a theory of trade-dress infringement, we do not address the passing-off claim. We note that the remedy for a violation of section 43(a) is the same regardless of the theory involved.

V.

The judgment for Qualitex on its claim for unfair competition, together with the monetary damages awarded, and the injunction against further infringement are affirmed. The judgment for Qualitex on its claim for trademark infringement and the judgment on Jacobson's counterclaim for cancellation of the trademark are reversed, and the district court is directed to enter judgment for Jacobson on its counterclaim.

AFFIRMED in part, and REVERSED in part, and REMANDED.

APPENDIX B

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

QUALITEX COMPANY, an Illinois corporation, *Plaintiff and Counterdefendant,* *vs.* **JACOBSON PRODUCTS COMPANY, INCORPORATED, a California corporation,** *Defendant and Counterdefendant.*	No. CV 1183 HLH(JRX) FINDINGS OF FACT AND CONCLUSIONS OF LAW

The court finds and concludes as follows:

FINDINGS OF FACT

1. Qualitex is a closely held family company that has been engaged since 1945 in the manufacture of various products for dry cleaners, laundries and garment manufacturers which it sells through various independent distributors in the United States.

2. Qualitex began manufacturing and selling its SUN GLOW® press pad in approximately 1957 for use on dry cleaning presses.

3. The SUN GLOW® pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

4. The SUN GLOW® pad is covered on top with a specially woven fabric made to Qualitex' specifications and treated with a special formulation of resins and other chemicals to resist heat and increase wear.

5. Qualitex selected the unique green-gold color, specially dyed its fabric, and instructed its fabric finisher to use the same color on all fabric for use on SUN GLOW® press pads. The color is technically described as "brass #6587."

6. Qualitex has sold its press pads in the same green-gold color cover fabric for over 30 years.

7. The green-gold color for use on press pads was registered as a trademark in the United States Patent and Trademark Office on February 5, 1991 as Registration No. 1,633,711.

8. The "SUN GLOW®" trademark was registered in the United States Patent and Trademark Office on February 17, 1959 as Registration No. 674,153 and is presumptively valid.

9. The relevant purchasing public for press pads sold by Qualitex and Jacobson, and other competitors, are dry cleaning businesses and garment manufacturers.

10. Most dry cleaning businesses are small, family owned, and family run establishments, many of whom are foreign speaking with limited skills in reading or speaking English.

11. Approximately 30% of the dry cleaning establishments in this country are run by Koreans. Of the 1,000 dry cleaning plants in the Chicagoland area, 70% are owned or operated by Koreans.

12. The quality of the Qualitex press pad is known to be the best in the business.

Secondary Meaning

13. From at least 1960 to the present time Qualitex advertised its press pad on a monthly basis in the *American*

Drycleaner Magazine, the leading trade publication. Since at least 1970, the color ads featured the green-gold SUN GLOW® press pad. No other advertiser ever ran an ad with that color. Readers associate the color with Qualitex.

14. Qualitex also places ads featuring its green-gold press pad in the *Korean Drycleaners Times*, the *Drycleaners News*, the *Bobbin*, and the *Agent* magazines which are distributed regularly to the dry cleaning and garment industries.

15. Qualitex has prepared Bulletins which advertise the SUN GLOW® press pad in the green-gold color, distributes flyers at trade shows and uses various brochures and mailers both in English and Korean promoting its green-gold color. Qualitex also drapes its booths at trade shows with green-gold cover material to further associate the color with Qualitex.

16. From 1960 through September 30, 1990 Qualitex has expended approximately $1,621,000 for advertising the green-gold color of the SUN GLOW® pad and to promote it at trade shows.

17. Over the past 30 years, Qualitex has sold over one million SUN GLOW® press pads bearing the green-gold color.

18. Nineteen out of twenty-two award winning dry cleaners according to the *American Drycleaner* magazine, have used the Qualitex press pad for the last twenty years.

19. As a result of the long and exclusive use of its green-gold color in the marketplace Qualitex' SUN GLOW® pad has acquired distinctiveness or secondary meaning.

20. Some purchasers of press pads have come to identify and order Qualitex press pads over the telephone by merely describing its color.

21. For decades, other manufacturers have used the colors lime green, grey, dark green, light blue, orange,peach, blue/grey and other colors on their press pads.

Intent to Copy

22. Jacobson has been in business since 1951 and supplies approximately 600 products to the dry cleaning and garment industry through 450-500 distributors. Jacobson manufactures a press pad known as the "Magic Glow" pad. The "Magic Glow" pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

23. Jacobson first began supplying press pads manufactured by Bishop Freeman Company in 1988. Jacobson has sold approximately 400 "Bishopads" in a dark green color, and 50-100 "Cushntop" pads in a two-tone grey/green color since 1988.

24. The materials in the Bishopad manufactured by Bishop Freeman are inferior to the materials in the Qualitex pad.

25. Prior to June, 1989 Qualitex was the only company that sold press pads for use in the dry cleaning and garment industries in the green-gold color made the subject matter of the present law suit.

26. When Jacobson decided to manufacture its own Magic Glow press pad, it contacted the president of Zellermayer Corporation at a Dallas, Texas trade show in March, 1989 to purchase cover material. A color swatch of Qualitex material was shown and Zellermayer was asked if that material could be obtained.

27. The parties discussed that the material was the same color as Qualitex, and Jacobson's president said that he wanted the Qualitex material for use in foreign markets. Zellermayer's president said he didn't believe he would have

sold the Qualitex material to Jacobson if he knew it was to be used to copy the Qualitex press pad.

28. Jacobson purchased 700 yards of Qualitex green-gold "seconds" material in April, 1989 from Zellermayer Corporation in New York. Zellermayer had purchased the material from Amerbelle Corporation, the fabric finisher utilized by Qualitex.

29. The initial shipment of material to Jacobson consisted of overrun "seconds" material from an earlier Qualitex production run which Jacobson didn't like but nevertheless used to make "Magic Glow" pads.

30. After exhausting the initial 700 yards of Qualitex green-gold "seconds material," Zellermayer was unable to purchase additional Qualitex material for Jacobson based upon Amerbelle's claim that the green-gold color ("brass #6587") was exclusive to Qualitex.

31. Jacobson used a list of 200 mills nationwide to locate a supplier who would specially mix and provide the identical color of a material that Qualitex was using.

32. Jacobson then contacted Qualitex' fabric supplier, Brookwood Roll Goods, Inc. to purchase more Qualitex green-gold material but said request was refused.

33. Jacobson thereafter went to United Textile & Supply Company ("Unitex") with a sample swatch of the Qualitex material and asked that the material and color be duplicated.

34. The green-gold color was not a shelf item and had to be manufactured especially for Jacobson.

35. Jacobson purchased additional green-gold material from Unitex, after requesting that Unitex send a swatch of Qualitex material to an outside lab for testing of its

composition, and ultimate duplication, leading to the successful imitation of the Qualitex green-gold color.

36. On January 24, 1990 Jacobson placed its first order for cover material with Unitex and a total of 5,096 yards of green-gold material was ultimately shipped to Jacobson by Unitex.

37. Jacobson first sold green-gold Magic Glow press pads to the industry at least as early as July, 1989.

38. Jacobson intentionally copied the overall look of Qualitex' green-gold press pad and one-half of the SUN GLOW® trademark.

Likelihood of Confusion

39. The Magic Glow press pad is an inferior quality to the Qualitex SUN GLOW® pad.

40. The components of the Jacobson pad are inferior to the Qualitex pad and the Jacobson pad will not last for 10 months like the Qualitex pad.

41. *Cover Cloth.* Qualitex cover cloth is constructed of 210 denier industrial yarn which is stronger and lasts longer than the 200 denier wearing apparel yarn used by Jacobson.

42. *Rubber.* Qualitex uses a 55 lb. rubber which is a heavier weight than the 33 lb. rubber used by Jacobson in its press pad.

43. *Fiberglass.* Qualitex uses a long-strand fiberglass which has an ability to dissipate heat quicker without deterioration than the short-strand fiberglass used by Jacobson.

44. *Bottom Cloth.* Qualitex uses a heavier weight white bottom cloth on its press pad which will last longer than the lighter weight bottom cloth used by Jacobson.

45. Qualitex and Jacobson are direct competitors, and they market their products through the same channels. Both sell to distributors who then sell to the dry cleaning and garment industries. Some distributors sell both Qualitex and Jacobson products.

46. Qualitex and Jacobson utilize the same advertising medium to promote their products. Both advertise in trade journals and other periodicals directed to dry cleaning and garment businesses.

47. Jacobson is selling its pad to distributors as a "look alike" Qualitex pad. One distributor sold Jacobson pads to customers who ordered Qualitex pads because he thought the customer wouldn't know the difference. One such customer returned the Jacobson pad and requested a Qualitex pad.

48. *Survey Evidence.* Personal interviews were conducted of 199 men and women in dry cleaner stores during the months of November and December, 1990 in four locations: Atlanta, Chicago, Los Angeles, and Philadelphia. Each respondent was shown a Jacobson press pad and asked: "What company or companies do you think makes this press pad?" 39% of the respondents answered Qualitex. Not one respondent named Jacobson. When asked: "What is it that makes you think [Qualitex] makes this press pad?" Numerous respondents stated the "color."

49. The sale of Jacobson's Magic Glow press pad has created the likelihood of confusion, deception or mistake in the marketplace.

Non-functionality -- Competitive Need

50. The natural color of the cordura and 210 denier yarn used in the Qualitex cover material is yellowed off-white.

51. Qualitex uses the ornamental green-gold dye to associate that color to its "SUN GLOW®" press pads.

52. Green-gold color dye on the cover material of a press paid does not make the press pad perform better. The color itself does not affect the quality of the goods one way or another.

53. Color itself makes the press pad more pleasing in appearance and only makes it look better.

54. The green-gold color dye for cover material is more expensive than other colors.

55. The use of the green-gold color does not make the press pad last longer.

56. Qualitex' green-gold color is a non-primary color, and is merely a shade of green.

57. There is no competitive need in the press pad industry for the green-gold color, since other colors are equally usable.

58. There is a competitive need in the press pad industry for color, but the range of tones of available distinctive suitable colors, which need not be primary colors, is in the hundreds, if not thousands.

Damages

59. The press pads sold by Qualitex and Jacobson to distributors have a retail price range from $13.00 to $195.00. The average range is $38.00 to $55.00.

60. Through December, 1990 Bishop Freeman Company manufactured 1,671 Magic Glow press pads for Jacobson in the green-gold color. At time of trial about 300 remained in inventory. The court concludes that approximately 1,371 were sold.

61. Jacobson sold Magic Glow press pads to the industry at an average price of $24.00 per pad.

62. Jacobson had actual notice of Qualitex' federal registration of the green-gold color for press pads at least as early as March 4, 1991.

CONCLUSIONS OF LAW

Infringement of Registered Trademark

1. In order to succeed on its registered trademark claim, Qualitex must prove that (1) it possesses a valid trademark, and (2) that Jacobson's use of a similar mark is likely to cause confusion, mistake or deception in the marketplace. *Charles Schwab & Co. Inc. v. Hibernia Bank,* 665 F. Supp. 800, 803 (N.D. Cal. 1987).

2. Qualitex has a valid trademark registered on the Principal Register of the Patent and Trademark Office for the green-gold mark which is the subject of Registration No. 1,633,711, issued February 5, 1991.

3. The certificate No. 1,633,711 issued by the United States Patent and Trademark Office is *prima facie* evidence of: (i) the validity of the Qualitex' registered mark, (ii) of Qualitex' ownership of the mark, and (iii) of Qualitex' exclusive right to use the registered mark in commerce on or in connection with the goods specified in the certificate, subject to any conditions or limitations stated in said certificate. 15 U.S.C. §1057(b).

4. The burden is on Jacobson to prove by a preponderance of the evidence that Qualitex' federal registration is invalid -- 578 F.2d 295, 301 (CCPA, 1978).

5. Jacobson has failed to meet its burden to prove that Qualitex' trademark Registration No. 1,633,711 is invalid and therefore the relief requested in the Counterclaim to cancel said Registration is denied.

6. The sale of Jacobson's press pad in the substantially similar green-gold color as Qualitex' registered trademark has created a likelihood of confusion, deception or mistake in the marketplace.

7. By selling a press pad in the substantially similar green-gold color Jacobson has infringed Qualitex registered trademark No. 1,633,711 issued February 5, 1991 by the United States Patent and Trademark Office.

8. In recognizing the trademark as valid, there is no danger of "color depletion." There are hundreds or thousands of distinctive shades of greens, yellows, blues, and browns or tans available to the competitors without danger that recognizing plaintiff's trademark will hinder completion.

Unfair Competition

9. The protection against unfair competition afforded by Section 43(a) of the Lanham Act covers a broad range of actionable harms. *Inwood Laboratories v. Ives Laboratories,* 456 U.S. 844, 858 (1982). This section was designed to create a cause of action beyond simple trademark infringement of the type arising under Section 32 of the Act. *Id.*; *SK&F Co. v. Premo Pharmaceutical Lab.,* 625 F.2d 1055, 1065 (3d Cir. 1980).

10. The "ultimate test" of unfair competition in the Ninth Circuit is whether consumer confusion or deception is likely as a result of the defendant's acts. *Century 21 Real*

Estate Corp. v. Sullivan, 846 F.2d 1175, 1178 (9th Cir. 1988).

11. Trademark infringement is but one species of the far broader law of unfair competition. McKenney & Long, *Federal Unfair Competition: Lanham Act Section 43(a),* Section 3.01, p. 3-10 (1990). The Lanham Act's statement of what constitutes unfair competition and false designation of origin does not state any requirement that a protectable trademark be at issue.

12. *Degree Of Care.* Korean and other foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad which they naturally assume to be the Qualitex pad that they have come to recognize. The law protects such purchasers.

> "The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible."

Stork Restaurant Inc. v. Sahati, 166 F.2d 348, 359 (9th Cir. 1948)."

13. *Intent.* Jacobson's use of Qualitex' green-gold color is intended to trade off of the goodwill that Qualitex has developed in its green-gold trademark. Evidence of such an intention is strong evidence of a likelihood of confusion, deception or mistake. *Vision Sports, Inc. v. Melville Corp.,* 888 F.2d 609, 616 (9th Cir. 1989); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.,* 826 F.2d 837, 845-46 (9th Cir. 1987).

14. The press pad survey conducted by Elrick & Lavidge demonstrates that 39% of the respondents, when shown the Jacobson pad, believed it to be a Qualitex pad. The survey's findings are significant evidence that people

who purchase press pads are likely to be confused, mistaken or deceived when they see or encounter the accused Jacobson pad in the marketplace.

15. Surveys of the type conducted on behalf of Qualitex are relevant evidence on the issue of likelihood of confusion. *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976) (15% "probative"); *RJR Foods, Inc. v. White Rock*, 603 F2d 1058 (2d Cir. 1979) (15%-20% "corroborative"); *Exxon Corp. v. Texas Motor Exchange, Inc.*, 628 F.2d 500 (5th Cir. 1980) (15%, 23% "strong evidence of likelihood of confusion").

16. Jacobson is guilty of unfair competition under Section 43(a) of The Lanham Act as stated in Count II of the Complaint by (1) copying the appearance of the SUN GLOW pad and deceiving purchasers, (2) putting an inferior product into the marketplace under Qualitex' distinctive trade dress to the detriment of said purchasers and Qualitex, and (3) infringing Qualitex' registered trademark for the green-gold color for use on press pads.

Trade Dress

17. "A product's trade dress attains secondary meaning when the purchasing public associates the dress with a single producer or source rather than just the product itself." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987).

18. The duration of its exclusive use of the green-gold color on its press pad, the significant amount of sales for over 30 years, and the "image advertising" of the pad by Qualitex, including consumers' awareness of that advertising as stated above, all demonstrate that the Qualitex press pad has acquired secondary meaning.

19. "[P]roof of copying strongly supports an inference of secondary meaning." *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989). *Transgo,*

Inc. v. Ajac Transmission Parts Corp., 768 F.2d 1001, 1016 (9th Cir. 1985), *cert. denied*, 474 U.S. 1059 (1986).

20. "In this Circuit, the aesthetic functionality test has been limited, *Vuitton*...if not rejected, *Fabrica* ... in favor of the 'utilitarian' functionality test." *First Brands Corp v. Fred Meyer Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987).

21. Qualitex' green-gold mark is not functional. In determining functionality, a product's trade dress must be analyzed as a whole. *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1455 (9th Cir. 1985). "[A] product feature is functional if it is essential to the [product's] use ... or if it affects the cost or quality of the article." *Inwood Laboratories, Inc. v. Ives laboratories, Inc.*, 456 U.S. 844, 850 n.10, 102 S.Ct. 2182, 2187 n.10 (1982).

22. Color is not an inherent attribute or natural characteristic of the press pad, but instead is a feature added by Qualitex and other manufacturers. The color is not added to make the product work better, it is only added as an ornamental or aesthetic adornment and to improve the appearance of the pad while being used.

23. The green-gold shade of color which distinguishes the Qualitex press pad that is being copied by Jacobson is not legally functional because it is not related in any way to the product's use, cost, quality or longevity.

24. Since Qualitex' green-gold color is not a primary or secondary color, its appropriation and exclusive use by Qualitex will not deprive competitors of the right to use a *primary color*. *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987).

25. Non-primary color, akin to an overall surface design, can perform the function of a trademark when the other requirements of trademark law are met. *In re:*

Owens-Corning Fiberglass Corp., 774 F.2d 1116 (Fed. Cir. 1985).

26. The total impression of the Qualitex green-gold pad and its "Sun Glow" name constitute the trade dress (overall appearance) of the Qualitex product. In order to prove that its trade dress has been infringed, Qualitex must show that: (1) the trade dress is non-functional, (2) the trade dress has acquired secondary meaning, and (3) it is likely to be confused with the trade dress of Jacobson's product by consumers. *White Swan, Ltd. v. Clyde Robin Seed Co., Inc.*, 729 F. Supp. 1257, 1259 (N.D. Cal. 1989).

27. *Strength.* Qualitex' green-gold trademark is strong. The strength of the green-gold mark supports a finding of likelihood of confusion, deception or mistake when purchasers see the Jacobson pad.

28. *Confusion.* "It is not necessary to prove actual confusion in order for plaintiff to prevail." *Geoffrey, Inc. v. Stratton*, 16 USPQ2d 1691, 1696 (C.D. Cal. 1990).

29. Qualitex' green-gold color is non-functional under the Ninth Circuit's functionality law, and the appearance of the product has acquired secondary meaning among its consumers. The survey evidence shows that confusion between Qualitex' trade dress and the Jacobson knock-off named "Magic Glow" is likely. For these reasons, Qualitex is entitled to relief on the additional basis that Jacobson has infringed the Qualitex trade dress.

30. The facts in the present case are remarkably similar to those in *Owens-Corning* and therefore also constitute an "extraordinary" case to confirm trademark protection to the green-gold color for use on press pads.

Relief

31. Jacobson's Sixth Affirmative Defense on unclean hands is denied.

32. Qualitex is entitled to an injunction against Jacobson's infringement of the green-gold registered trademark pursuant to 15 U.S.C. §1116.

33. Qualitex is entitled to an injunction against Jacobson's unfair competition pursuant to 15 U.S.C. §1125(a).

34. Qualitex is entitled to an injunction against Jacobson's infringement of the trade dress of Qualitex Sun Glow press pads.

35. Jacobson is liable to Qualitex for the profits it made from its infringement in the amount of $8,208.13 pursuant to 15 U.S.C. §1117.

36. While the copying was deliberate, it was done in a belief that plaintiff could not appropriate a color. In the state of the law at the time, this view was not unreasonable. Enhanced damages and attorneys' fees will not yet be awarded.

Adopted 9/3/91
Harry L. Hupp, U.S.D.J.

IN THE UNITED STATES DISTRICT COURT
FOR THE NINTH CIRCUIT

QUALITEX COMPANY,
an Illinois corporation,
Plaintiff and
Counterdefendant,

vs.

JACOBSON PRODUCTS
COMPANY INCORPORATED,
a California corporation,
Defendant and
Counterdefendant.

No. CV 90 1183
HLH(JRX)

JUDGMENT

THE COURT having heard and considered the evidence, deposition transcripts, and testimony at trial, having read and considered the Stipulations and Briefs of the respective parties,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Judgment is entered in favor of the plaintiff and against the defendant on the Third Cause of Action in the Supplemental Complaint for infringement of plaintiff's registered trademark for the green-gold color on press pads. 15 U.S.C. §1116.

2. Judgment is entered in favor of the plaintiff and against the defendant on defendant's Counterclaim for cancellation of the registered green-gold trademark.

3. Judgment is entered in favor of the plaintiff and against the defendant on the First and Second Causes of Action for unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).

4. Judgment is entered in favor of plaintiff and against the defendant in the amount of $8,208.13 representing the net profits made by defendant from the sale of the infringing Magic Glow pads, plus costs in the amount of $6,514.00.

5. The defendant Jacobson Products Company, its agents and employees and all those in active concert or participation with them, who have actual notice of this order, are hereby permanently enjoined from manufacturing, marketing or selling press pads made of any fabric using the same green-gold color of the Qualitex press pads, or so close to said color that it cannot be easily distinguished from the Qualitex color by the casual user.

Dated: Sept. 3, 1991

ss/ HARRY L. HUPP

STATES DISTRICT JUDGE UNITED